



U.S. Immigration
and Customs
Enforcement

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News Release

ZIG-ZAG MONEY-LAUNDERING OPERATION LEADERS SENTENCED *\$1 million laundered over 2-year period*

DETROIT — Two Indonesian men were sentenced here today to 15 months in prison for their involvement as the leaders of a multi-million dollar money-laundering operation that illegally produced counterfeit cigarette paper with a name-brand label in Jakarta, Indonesia. This case was investigated by U.S. Immigration and Customs Enforcement (ICE), the Criminal Investigations Division of the Internal Revenue Service, and the FBI.

Anand Nanawani, 27, and Jaipai Singh, 29, citizens of Indonesia, both were sentenced today by U.S. District Court Judge Avery Cohn to 15 months in prison, two years supervised release and judicial deportation after pleading guilty to money laundering in March.

ICE apprehended Nanawani and Singh as they were attempting to depart the Los Angeles International Airport in December 2004. The ICE investigation revealed that both men were primary suppliers of counterfeit cigarette papers in Detroit and received more than \$871,000 in proceeds. The counterfeit products were sold in the U.S. at prices well below the registered Zig-Zag brand item. Nanawani and Singh used several business names to introduce the counterfeit zig-zags into United States commerce. The markings on the products were indistinguishable from the genuine product or registered goods.

"These intellectual property rights crimes such as counterfeiting are not victimless. They should be of concern to every American," said Brian M. Moskowitz, special agent in charge of the ICE Office of Investigations in Detroit. "This type of criminal activity costs U.S. industries nearly \$250 billion in losses each year. Even more disturbing is that the illicit proceeds generated from these crimes facilitate organized crime. Disrupting the flow of illicit funds and pursuing these criminals is a high priority to ICE. This specific case would not have been successful without the great work and collaboration of the Internal Revenue Service and the FBI offices here in Detroit."

The ICE investigation discovered that more than 100 counterfeit Zig-Zag cigarette paper shipments entered the United States between May 2000 and February 2004, with a retail value estimate of \$16 million. Nanawani and Singh began importing their counterfeit products into the U.S. in May 2000. Evidence indicated that the organization laundered about \$1 million between March 2000 and February 2004. The funds generated by the counterfeiting scheme were squandered by organization members or seized through civil proceedings by the North Atlantic Trading Company, trademark holder for Zig Zag cigarette papers in the U.S.

Maurice Aouate, special agent in charge of the IRS' Criminal Investigations Division in Detroit stated, "Money laundering is a very complex crime involving an enormous amount of financial transactions and financial outlets throughout the world. IRS-CID is committed to identifying and tracing criminal proceeds, even if it leads overseas, in order to disrupt and dismantle this type of illegal counterfeit operations."

Two additional members of the organization, Tarek Makki, 40, a naturalized U.S. citizen and Adham Mackie, 38, from Lebanon, pleaded guilty Oct. 5 to charges of money laundering, conspiracy, trafficking in counterfeit goods, false statements and perjury. The plea for Adham Mackie agreed to a judicial removal from the U.S. The sentencing date has not been scheduled for Makki and Mackie.

The IRS-Criminal Investigation Division provided investigative assistance. Assistant U.S. Attorney Gary Felder, Eastern District of Michigan, prosecuted this case.

ICE

U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of four integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.